

**Weber County  
Mosquito Abatement District**

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**Financial Statements and  
Independent Auditors' Report**

**December 31, 2005**

# **Weber County Mosquito Abatement District**

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### INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
**Weber County Mosquito Abatement District**

We have audited the accompanying financial statements of the government activities and each major fund of **Weber County Mosquito Abatement District** (the "District"), as of and for the year ended December 31, 2005, which collectively comprise the District's basic financial statements as listed in the foregoing table of contents. These basic financial statements are the responsibility of the management of the District. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of **Weber County Mosquito Abatement District** as of December 31, 2005, and the respective changes in financial position thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2006 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 2 through 5, are not a required part of the basic financial statements but are supplementary information required by Governmental Accounting Standards Board (GASB). We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Haynie & Co.*

Ogden, Utah  
May 4, 2006

# **Weber County Mosquito Abatement District**

## **Management's Discussion and Analysis**

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# **Weber County Mosquito Abatement District**

## **Management's Discussion and Analysis**

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This discussion and analysis is intended to be an easily readable analysis of Weber County Mosquito Abatement District's (the "District") financial activities and performance based on currently known facts, decisions, or conditions as of and for the year ended December 31, 2005.

### **Financial Highlights**

- Total net assets were \$2,203,814
- Total net assets decreased by \$208
- Total revenues were \$993,801
- Total revenues exceeded budgeted revenues by \$51,801
- Total budgeted expense exceeded actual expenses by \$12,014
- Unrestricted net assets were \$931,113 or 42.3% to total net assets at December 31, 2005

### **Government-wide Financial Statements**

Government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. Traditionally, separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds; however, the District is comprised of only the general fund.

### **Report Layout**

Besides this Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements, and the notes to the financial statements. The first two statements are condensed and present a government-wide view of the District's finances. Within this view, all of the District's operations are categorized and reported as either governmental or business-type activities. Governmental activities include basic mosquito abatement services and administration. There are no business-type activities in the District. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the District.

### **Basic Financial Statements**

The *Statement of Net Assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as *Net Assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Governmental activities are reported on the accrual basis of accounting.

The *Statement of Activities* focuses on gross and net costs of the District's programs and the extent to which such programs rely upon general revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the District's financial condition.

**Weber County Mosquito Abatement District**  
**Management's Discussion and Analysis (continued)**

**Table 1 - Net Assets**

December 31	Governmental Activities	
	2005	2004
<b>Assets:</b>		
Current and other assets	\$ 1,521,002	\$ 1,485,661
Capital assets, net	757,363	821,386
<b>Total assets</b>	<b>2,278,365</b>	<b>2,307,047</b>
<b>Liabilities:</b>		
Current and other liabilities	74,551	103,025
<b>Total liabilities</b>	<b>74,551</b>	<b>103,025</b>
<b>Net assets:</b>		
Invested in capital assets	757,363	821,386
Unrestricted and undesignated	931,113	867,298
Reserved for capital projects	515,338	515,338
<b>Total net assets</b>	<b>2,203,814</b>	<b>2,204,022</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,278,365</b>	<b>\$ 2,307,047</b>

**Weber County Mosquito Abatement District**  
**Management's Discussion and Analysis (continued)**

**Table 2 - Changes in Net Assets**

For the year ended December 31	Governmental Activities	
	2005	2004
<b>General revenues:</b>		
Property and motor vehicle taxes and fees	\$ 954,092	\$ 913,962
Investment earnings	35,809	20,462
Other revenue	3,900	3,750
<b>Total revenues</b>	<b>993,801</b>	<b>938,174</b>
<b>Governmental activities:</b>		
Mosquito abatement	962,104	955,352
Shop and building maintenance	17,495	8,713
Administration	14,410	18,552
<b>Total governmental activities</b>	<b>994,009</b>	<b>982,617</b>
<b>(Decrease) in net assets</b>	<b>(208)</b>	<b>(44,443)</b>
<b>Net assets, beginning of year</b>	<b>2,204,022</b>	<b>2,248,465</b>
<b>Net assets, end of year</b>	<b>\$ 2,203,814</b>	<b>\$ 2,204,022</b>

**Governmental Activities**

The District's net cost for all governmental activity was \$994,009 for the year ended December 31, 2005. As shown in the statement of activities, essentially all of the District's activities are funded by property taxes paid by taxpayers. Accordingly, the District relies upon property taxes to finance its operations.

**General Fund Budgetary Highlights**

The District finalized its 2005 budget on December 13, 2004 in accordance with State law. Actual revenues exceeded budgeted revenues by \$51,801 while actual expenditures were \$12,014 less than amounts budgeted. Accordingly, the District's revenues in excess of expenditures for the year ended December 31, 2005, were \$63,815.

**Capital Assets**

Capital assets for the District are those assets that are used in the performance of the District's functions. Capital assets include land, buildings and improvements, equipment, vehicles, and furniture and fixtures. Capital assets are recognized in the statement of net assets and, in accordance with GASB No. 34, are shown net of accumulated depreciation. During the year ended December 31, 2005, the District purchased no capital assets and none were retired. Depreciation expense of \$64,023, for the year ended December 31, 2005, is recognized in the Government-wide financial statements.

## **Weber County Mosquito Abatement District**

### **Management's Discussion and Analysis (continued)**

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#### **Economic Forecast and Future Budget**

The western part of Weber County which is served by the District continues to see significant growth in homes and new businesses. The advent of the West Nile Virus in the area has raised the concern of those served by the district. To meet the increasing demands placed on the District, additional employees and related training may be required, along with additional equipment, pesticides and other mosquito control devices. Economic growth, in the form of property taxes and fees from increased building and business should allow the District to finance the increasing expenditure demands.

#### **Requests for Information**

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director, Mr. Bruce Bennett, 505 West 12th Street, Ogden, UT, 84404.



# Weber County Mosquito Abatement District

## Statement of Net Assets

	Governmental Activities
December 31	2005
<b>Assets:</b>	
Cash and cash equivalents	\$ 1,511,774
Prepaid expenses	9,228
Capital assets not subject to depreciation:	
Land	3,114
Capital assets net of accumulated depreciation:	
Buildings and improvements	630,384
Furniture and fixtures	29,748
Vehicles	94,117
<b>Total assets</b>	<b>\$ 2,278,365</b>
<b>Liabilities:</b>	
Accounts payable	\$ 9,289
Payroll liabilities	6,576
Employee benefits	58,686
<b>Total liabilities</b>	<b>74,551</b>
<b>Net assets:</b>	
Invested in capital assets	757,363
Capital projects	515,338
Unrestricted and undesignated	931,113
<b>Total net assets</b>	<b>2,203,814</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,278,365</b>

See accompanying notes to financial statements.

# **Weber County Mosquito Abatement District**

## **Statement of Activities**

**For the Year Ended December 31, 2005**

	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Government Activities
<b><u>Functions and Programs</u></b>					
<b>Governmental activities:</b>					
Mosquito abatement	\$ 962,104	\$ -	\$ -	\$ -	\$ (962,104)
Shop and building maintenance	17,495	-	-	-	(17,495)
Administration	14,410	-	-	-	(14,410)
<b>Total primary government</b>	<b>\$ 994,009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(994,009)</b>
<b>General revenues:</b>					
Property taxes					954,092
Investment earnings					35,809
Other general revenue					3,900
<b>Total general revenues</b>					<b>993,801</b>
<b>(Decrease) in net assets</b>					<b>(208)</b>
<b>Net assets, January 1, 2005</b>					<b>2,204,022</b>
<b>Net assets, December 31, 2005</b>					<b>\$ 2,203,814</b>

*See accompanying notes to financial statements.*

# Weber County Mosquito Abatement District

## Governmental Funds Balance Sheet

December 31	2005		
	General Fund	Capital Projects	Governmental Funds
<b>Assets:</b>			
Cash and cash equivalents	\$ 996,436	\$ 515,338	\$ 1,511,774
Prepaid expenses	9,228	-	9,228
<b>Total assets</b>	<b>\$ 1,005,664</b>	<b>\$ 515,338</b>	<b>\$ 1,521,002</b>
<b>Liabilities:</b>			
Accounts payable	\$ 9,289	\$ -	\$ 9,289
Payroll liabilities	6,576	-	6,576
Employee benefits	58,686	-	58,686
<b>Total liabilities</b>	<b>74,551</b>	<b>-</b>	<b>74,551</b>
<b>Fund balance:</b>			
Unreserved - designated capital improvements	-	515,338	515,338
Unreserved and undesignated	931,113	-	931,113
<b>Total fund balance</b>	<b>931,113</b>	<b>515,338</b>	<b>1,446,451</b>
<b>Total liabilities and fund balance</b>	<b>\$ 1,005,664</b>	<b>\$ 515,338</b>	<b>\$ 1,521,002</b>

See accompanying notes to financial statements.

# **Weber County Mosquito Abatement District**

## **Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets**

<b>December 31</b>	<b>2005</b>
<b>Total fund balance</b>	<b>\$ 1,446,451</b>
Total net assets reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore not reported in the funds	757,363
<b>Net assets of governmental activities</b>	<b>\$ 2,203,814</b>

***See accompanying notes to financial statements.***

# Weber County Mosquito Abatement District

## Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances

For the year ended December 31		2005	
	General Fund	Capital Projects	Governmental Funds
<b>Revenues:</b>			
Property taxes and fees	\$ 954,092	\$ -	\$ 954,092
Interest	35,809	-	35,809
Other general revenue	3,900	-	3,900
<b>Total revenues</b>	<b>993,801</b>	<b>-</b>	<b>993,801</b>
<b>Expenditures:</b>			
Mosquito abatement	898,081	-	898,081
Shop and building maintenance	17,495	-	17,495
Administration	14,410	-	14,410
<b>Total expenditures</b>	<b>929,986</b>		<b>929,986</b>
<b>Excess of revenues over expenditures</b>	<b>63,815</b>	<b>-</b>	<b>63,815</b>
Fund balance, beginning of year	867,298	515,338	1,382,636
<b>Fund balance, end of year</b>	<b>\$ 931,113</b>	<b>\$ 515,338</b>	<b>\$ 1,446,451</b>

*See accompanying notes to financial statements.*

## **Weber County Mosquito Abatement District**

### **Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities**

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For the year ended December 31

2005

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#### **Net changes in fund balances - total governmental funds**

Amounts reported for governmental activities in the statement of  
activities are different because:

\$ 63,815

Governmental funds report capital outlays as expenditures.  
However, in the statement of activities the cost of those  
assets are allocated over their estimated useful lives and  
reported as depreciation expense. This is amount by which  
depreciation expense exceeded capital outlays in the current  
period

(64,023)

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**Change in net assets of governmental activities**

\$ (208)

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*See accompanying notes to financial statements.*

# Weber County Mosquito Abatement District

## Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund

For the year ended December 31				2005
	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Revenues:</b>				
Property taxes	\$ 942,000	\$ 942,000	\$ 954,092	\$ 12,092
Interest	-	-	35,809	35,809
Other revenues	-	-	3,900	3,900
<b>Total revenues</b>	<b>942,000</b>	<b>942,000</b>	<b>993,801</b>	<b>51,801</b>
<b>Expenditures:</b>				
Wages and related taxes	546,000	546,000	542,048	3,952
Insecticide and field supplies	150,000	150,000	148,762	1,238
Health insurance	76,000	76,000	79,101	(3,101)
Retirement	75,000	75,000	71,664	3,336
Insurance	42,500	42,500	28,447	14,053
Other general expense	27,000	27,000	33,329	(6,329)
Gas and oil	14,000	14,000	19,021	(5,021)
Utilities	11,500	11,500	7,614	3,886
<b>Total expenditures</b>	<b>942,000</b>	<b>942,000</b>	<b>929,986</b>	<b>12,014</b>
<b>Excess of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>63,815</b>	<b>63,815</b>
<b>Fund balance, beginning of year</b>	<b>867,298</b>	<b>867,298</b>	<b>867,298</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 867,298</b>	<b>\$ 867,298</b>	<b>\$ 931,113</b>	<b>\$ 63,815</b>

See accompanying notes to financial statements.

# **Weber County Mosquito Abatement District**

## **Notes to Financial Statements**

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### **Note 1 - Organization and operation**

The Weber County Mosquito Abatement District (the "District") is a special taxing district that provides mosquito control through a comprehensive program of water management and source reduction in all areas of Weber County, Utah. It is governed by a board of trustees which is appointed by Weber County Officials.

### **Note 2 - Significant accounting policies**

**Financial Reporting Entity** - For financial reporting purposes, the reporting entity includes all funds and authorities for which the District holds corporate powers. The Governmental Accounting Standards Board (GASB) in its Statement No. 14, The Financial Reporting Entity, has established criteria to consider in determining financial accountability. The criteria are: appointment of a majority of the voting members of an organizations governing board, and either (1) the District has the ability to impose its will on the organization, or (2) there is potential for the organization to provide specific financial benefits to or impose specific financial burdens on the District.

These financial statements represent the Weber County Mosquito Abatement District, the primary government. The District is a legally separate entity which possesses the power to tax and assess fees on property. Weber County exercises no significant controlling powers over the District. Accordingly, the District is not a component unit of Weber County. Further, the District has no component units; it has not created any separate political subdivisions and does not exercise any political or financial control over any other entity.

**Basis of presentation - government wide and fund financial statements** - Government wide financial statement are comprised of the statement of net assets and statement of activities. They contain information on all of the activities of the primary government. Most effects of inter-fund activities have been eliminated from these statements.

The statement of activities is presented to show the extent that program revenues of a given activity support direct expenses. Direct expenses are those that can be clearly associated with an activity or program. Program revenues include charges to customers or others who directly benefit from the program, grants or other contributions that are restricted to the operations or capital needs of the specific activity. General revenues are those revenues like taxes that are not properly reported as program revenues.

**Measurement focus and basis of accounting** - *Government wide financial statements* are reported using the economic resources measurement focus which shows net assets and liabilities on the statement of net assets, and changes to net in the statement of activities. The government wide financial statements are reported using the accrual basis of accounting.



## **Weber County Mosquito Abatement District**

### **Notes to Financial Statements (continued)**

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#### **Note 2 - Significant accounting policies (continued)**

**Measurement focus and basis of accounting (continued)** - All *Governmental Funds* are accounted for using the current financial resource measurement focus and the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available, within 60 days of the end of the year, as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash. General property taxes, self-assessed taxes, and investment earnings are recorded as earned (when they are measurable and available). Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service, prepaid expenses, and other long-term obligations, which are recognized when paid.

**Budget and budgetary accounting** - The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles. An annual budget is prepared and adopted by the Board of Directors on or before December 15 for the fiscal year commencing the following January 1, in accordance with State law. The operation budget includes proposed expenditures and the proposed sources of financing for such expenditures. Prior to December 15, a public hearing is conducted to obtain taxpayer input. A budget is adopted and control of budget appropriations is exercised, under State law, at the department level. Budget amendments are required to increase the expenditure budget. The General Fund budget is prepared using the modified accrual basis of accounting.

**Expenditures** - Expenditures are recognized in the accounting period in which the fund liability is incurred. Insecticides and supplies are stated at cost using the first-in, first-out (FIFO) method. Purchases are recorded as assets when purchased and expensed when consumed.

**Cash and cash equivalents** - Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with maturities of three months or less when purchased meet this definition. The District's investment in the State Treasurer's Pool has an fair value equivalent to the value of the pool shares, and is considered cash and cash equivalents.

**Property taxes revenues and fees** - Property taxes attach as an enforceable lien on property as of January 1 of the year following levy. Taxes are levied in early fall and are payable by November 30th and become delinquent on December 31st. Collections of the county taxes and remittance of them to the Districts are accounted for in the Treasurer's Tax Fund. County property tax revenues are recognized when levied to the extent that they result in a current receivable. The collection of 2005 property taxes, including delinquent collections, have been apportioned by the County Treasurer and included as 2005 revenues.

**Capital assets** - Capital assets are valued at historical costs, or estimated historical costs for assets where actual historical cost was not available. Repairs and maintenance is expensed as it is incurred. Capital assets are being depreciated using the straight-line methods with buildings and improvements being depreciated over 40 years, and equipment, vehicles and furniture and fixtures over estimated lives of from five to seven years.

# **Weber County Mosquito Abatement District**

## **Notes to Financial Statements (continued)**

**Note 2 - Significant accounting policies (continued)**

**Management estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note 3 - Cash, cash equivalents, and investments**

The District's deposits are categorized in the following table to give an indication of the level of risk assumed by the District at year end. Category 1 includes deposits that are insured or collateralized with securities held by the District or its agent in the District's name. Category 2 includes deposits that are collateralized with securities held by the pledging financial institution's trust department or agent in the District's name. Category 3 are deposits that are uninsured and uncollateralized.

December 31	2005			
	Category 1	Category 2	Carrying Amount	Fair Value
<b>Bank deposits</b>	\$ 100,000	\$ 1,411,774	\$ 1,511,774	\$ 1,511,774
<b>Total cash</b>			\$ 1,511,774	\$ 1,511,774

The District's investment policies are governed by State statutes. District funds are invested in negotiable or non-negotiable deposits of qualified depositories.

**Note 4 - Capital assets**

The following schedule summarizes the changes in capital assets for the District for the year ended December 31, 2005:

December 31	2005			
	Beginning	Additions	Deletions	Ending
<b>Land</b>	\$ 3,114	\$ -	\$ -	\$ 3,114
<b>Buildings and improvements</b>	777,362	-	-	777,362
<b>Furniture and fixtures</b>	158,871	-	-	158,871
<b>Vehicles</b>	243,828	-	-	243,828
<b>Total capital assets</b>	1,183,175	-	-	1,183,175
<b>Less accumulated depreciation</b>	361,789	64,023	-	425,812
<b>Net capital assets</b>	\$ 821,386	\$ (64,023)	\$ -	\$ 757,363

## **Weber County Mosquito Abatement District**

### **Notes to Financial Statements (continued)**

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**Note 5 - Retirement plans**

**Plan description** - The District contributes to the Local Governmental Noncontributory Retirement System, for employers with Social Security coverage, which is a cost-sharing multiple-employer defined benefit pension plan administered by the Utah Retirement Systems (Systems). Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustment, and death benefit to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Noncontributory Retirement System, Public Safety Retirement System for employers with Social Security coverage, and Firefighters Retirement System which are for employers with Social Security coverage. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102, or by calling 1 (800) 365-8772.

**Funding policy** - the District is required to contribute 11.09 percent of employees annual covered salary to the Local Governmental Noncontributory Retirement System. The contribution rates are actuarially determined and are authorized by statute and specified by the Board. The District's contributions to the Noncontributory Retirement System for December 31, 2005 were \$50,612. The contributions were equal to the required contributions for the year.

The District also sponsors a retirement plan under Internal Revenue Code Section 401(k) for eligible employees. The assets of the plan are held by the Utah State Retirement System in trust for the exclusive benefit of the participants or their beneficiaries and are not assets of the District. As such, the asset and fund balance are not included on the balance sheet. The District's contributions to the contributory retirement system for December 31, 2005 were \$25,101. The amount of employees' deferred compensation and contributed to the contributory retirement system on their own behalf for December 31, 2005 was \$21,625.

**Weber County Mosquito Abatement District**

**Supplemental Reports and Schedules**

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**Haynie & Company**  
Certified Public Accountants (a professional corporation)

5974 South Fashion Pointe Dr., Suite 200 South Ogden, Utah 84403 (801) 479-4800 Fax (801) 479-8941

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

To the Board of Trustees  
**Weber County Mosquito Abatement District**

We have audited the financial statements of **Weber County Mosquito Abatement District** (the "District") as of and for the year ended December 31, 2005, and have issued our report thereon dated May 4, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Haynie & Co.*

Ogden, Utah  
May 4, 2006



**Haynie &  
Company**

**Certified Public Accountants** (a professional corporation)

5974 South Fashion Pointe Dr., Suite 200 South Ogden, Utah 84403 (801) 479-4800 Fax (801) 479-8941

**REPORT ON LEGAL COMPLIANCE APPLICABLE TO UTAH STATE LAWS AND  
REGULATIONS**

**To the Board of Trustees  
Weber County Mosquito Abatement District**

**We have audited the financial statements of Weber County Mosquito Abatement District (the "District") for the year ended December 31, 2005 and have issued our report thereon dated May 4, 2006.**

**Our audit also included test work on the District's compliance with those general compliance requirements identified in the Compliance Manual for Audits of Local Governments in Utah, including:**

**Cash Management  
Purchasing Requirements  
Budgetary Compliance  
Other Compliance Requirements  
Truth in Taxation and Property Tax Limitations  
Special Districts**

**The District did not receive any major or nonmajor State grants during the year ended December 31, 2005.**

**The management of the District is responsible for the District's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.**

**We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.**

**The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying schedule of findings. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.**

**In our opinion, the District complied, in all material respects, with the general compliance requirements identified above for the year ended December 31, 2005.**

*Haynie & Co.*

**Ogden, Utah  
May 4, 2006**

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# **Weber County Mosquito Abatement District**

## **Schedule of Findings**

**For the year ended December 31, 2005**

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### **Finding No. 05-01:**

<b>Statement of Condition:</b>	The proper amount of fidelity bond coverage was not obtained in accordance with the State of Utah Legal Compliance Guide.
<b>Criteria:</b>	Fidelity bond coverage is only \$5,000 when the coverage should be approximately \$66,000 based on budgeted revenues according to the State of Utah Legal Compliance Guide.
<b>Effect:</b>	District is approximately \$61,000 under insured on the fidelity bond.
<b>Cause:</b>	Director was unaware of the State regulation.
<b>Recommendation:</b>	Management should increase fidelity bond coverage.
<b>Management Response:</b>	Management agrees and is in the process of obtaining the proper amount of fidelity bond coverage.